



House of Representatives

General Assembly

File No. 610

February Session, 2008

Substitute House Bill No. 5930

House of Representatives, April 14, 2008

The Committee on Finance, Revenue and Bonding reported through REP. STAPLES of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING PROTECTION OF TAXPAYER DATA AND NOTIFICATION OF EXCESS PROPERTY TAX PAYMENTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) The Commissioner of
2 Revenue Services shall implement all protocols and procedures for the
3 protection of taxpayer data, as issued by the Department of
4 Information Technology, including immediate implementation of (1)
5 all current protocols and procedures issued by the Department of
6 Information Technology, and (2) all future updates on protocols and
7 procedures, as may be issued from time to time by said department.

8 Sec. 2. Subsection (a) of section 12-170w of the general statutes is
9 repealed and the following is substituted in lieu thereof (*Effective from*
10 *passage*):

11 (a) No claim shall be accepted under section 12-170v unless the
12 taxpayer or authorized agent of such taxpayer files an application with

13 the assessor of the municipality in which the property is located, in
14 such form and manner as the assessor may prescribe, during the
15 period from February first to and including May fifteenth of any year
16 in which benefits are first claimed, including such information as is
17 necessary to substantiate such claim in accordance with requirements
18 in such application. A taxpayer may make application to the assessor
19 prior to August fifteenth of the claim year for an extension of the
20 application period. The assessor may grant such extension in the case
21 of extenuating circumstance due to illness or incapacitation as
22 evidenced by a physician's certificate to that extent, or if the assessor
23 determines there is good cause for doing so. The taxpayer shall present
24 to the assessor a copy of such taxpayer's federal income tax return and
25 the federal income tax return of such taxpayer's spouse, if filed
26 separately, for such taxpayer's taxable year ending immediately prior
27 to the submission of the taxpayer's application, or if not required to file
28 a federal income tax return, such other evidence of qualifying income
29 in respect to such taxable year as the assessor may require. Each such
30 application, together with the federal income tax return and any other
31 information submitted in relation thereto, shall be examined by the
32 assessor and a determination shall be made as to whether the
33 application is approved. Upon determination by the assessor that the
34 applying homeowner is entitled to tax relief in accordance with the
35 provisions of section 12-170v and this section, the assessor shall notify
36 the homeowner and the municipal tax collector of the approval of such
37 application. The municipal tax collector shall determine the maximum
38 amount of the tax due with respect to such homeowner's residence and
39 thereafter the property tax with respect to such homeowner's residence
40 shall not exceed such amount. After a taxpayer's claim for the first year
41 has been filed and approved such taxpayer shall file such an
42 application biennially. In respect to such application required after the
43 filing and approval for the first year the assessor in each municipality
44 shall notify each such taxpayer concerning application requirements
45 by regular mail not later than February first of the assessment year in
46 which such taxpayer is required to reapply, enclosing a copy of the
47 required application form. Such taxpayer may submit such application

48 to the assessor by mail provided it is received by the assessor not later
49 than March fifteenth in the assessment year with respect to which such
50 tax relief is claimed. Not later than April first of such year the assessor
51 shall notify, by certified mail, any such taxpayer for whom such
52 application was not received by said March fifteenth concerning
53 application requirements and such taxpayer shall submit not later than
54 May fifteenth such application personally or for reasonable cause, by a
55 person acting in behalf of such taxpayer as approved by the assessor.
56 Applications filed under this section shall not be open for public
57 inspection.

58 Sec. 3. Section 12-129 of the general statutes is repealed and the
59 following is substituted in lieu thereof (*Effective July 1, 2008*):

60 (a) Any person, firm or corporation who pays any property tax in
61 excess of the principal of such tax as entered in the rate book of the tax
62 collector and covered by his warrant therein, or in excess of the legal
63 interest, penalty or fees pertaining to such tax, or who pays a tax from
64 which the payor is by statute exempt and entitled to an abatement, or
65 who, by reason of a clerical error on the part of the assessor or board of
66 assessment appeals, pays a tax in excess of that which should have
67 been assessed against his property, or who is entitled to a refund
68 because of the issuance of a certificate of correction, [may make
69 application in writing to the collector of taxes for the refund of such
70 amount] shall be notified by the collector of taxes of the amount of
71 such excess payment, exemption or refund entitlement.

72 (b) The taxpayer may make application in writing to the collector of
73 taxes for the refund of such amount or to have such amount credited
74 toward such taxpayer's future property tax liability. Such application
75 shall be made not later than (1) three years from the date such tax was
76 due or (2) such extended deadline as the municipality may, by
77 ordinance, establish. Such application shall contain a recital of the facts
78 and shall state the amount of the refund or credit requested. The
79 collector shall, after examination of such application, refer the same,
80 with his recommendations thereon, to the board of selectmen in a town

81 or to the corresponding authority in any other municipality, and shall
 82 certify to the amount of refund or credit, if any, to which the applicant
 83 is entitled. Upon receipt of such application and certification, the
 84 selectmen or such other authority shall draw an order upon the
 85 treasurer in favor of such applicant for the amount of refund or credit
 86 so certified. Any action taken by such selectmen or such other
 87 authority shall be a matter of record, and the tax collector shall be
 88 notified in writing of such action. Upon receipt of notice of such action,
 89 the collector shall make in his rate book a notation which will date,
 90 describe and identify each such transaction. Each tax collector shall, at
 91 the end of each fiscal year, prepare a statement showing the amount of
 92 each such refund or credit, to whom made and the reason therefor.
 93 Such statement shall be published in the annual report of the
 94 municipality or filed in the town clerk's office within sixty days of the
 95 end of the fiscal year. Nothing in this section shall be construed to
 96 allow a refund or credit based upon an error of judgment by the
 97 assessors.

98 (c) Notwithstanding the provisions of this section, the legislative
 99 body of a municipality may, by ordinance, authorize the tax collector
 100 to retain payments in excess of the amount due provided the amount
 101 of the excess payment is less than five dollars.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	12-170w(a)
Sec. 3	<i>July 1, 2008</i>	12-129

Statement of Legislative Commissioners:

The words "or credit" were added in line 82 for conformity.

FIN *Joint Favorable Subst.-LCO*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 09 \$	FY 10 \$
All Municipalities	Cost	Minimal	Minimal
All Municipalities	Revenue Loss	See Below	See Below

Explanation

Section 3 will result in a minimal cost to municipalities to notify taxpayers of excess tax payments. This requirement will also likely result in a revenue loss to municipalities because a greater number of taxpayers will request refunds.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sHB 5930*****AN ACT CONCERNING PROTECTION OF TAXPAYER DATA AND
NOTIFICATION OF EXCESS PROPERTY TAX PAYMENTS.*****SUMMARY:**

This bill requires the revenue services (DRS) commissioner to (1) immediately implement all current protocols and procedures for protecting taxpayer data issued by the Department of Information Technology (DOIT) and (2) implement all future updates as DOIT issues them.

The bill also bars public inspection of applications for assistance under the municipal-option elderly property tax freeze program established in 2006. The program allows towns to freeze property taxes on homes owned by people who are age 70 or over, have lived in the state for at least one year, and meet income limits for the circuit breaker property tax credit program. Program applicants must apply to local assessors and include a copy of their federal income tax returns or other evidence of qualifying income. Program applications for other low-income property tax relief programs are already closed to the public under current law.

Finally, the bill (1) requires a local tax collector to notify a taxpayer who overpays his property tax of the excess payment amount and (2) gives the taxpayer a choice to credit the excess payment against future property tax liability instead of receiving a refund. As under current law, the notice and refund or credit requirements do not apply to excess payments under \$5, if the town has adopted an ordinance allowing the tax collector to retain these small excess amounts.

Under the bill, as under current law, the taxpayer must apply in writing to the tax collector for the refund or credit. The bill makes

conforming changes to incorporate the credit option into existing tax refund procedures.

EFFECTIVE DATE: Upon passage, except for the excess property tax payment changes, which are effective July 1, 2008.

BACKGROUND

Related Bills

sSB 677, File 455, reported by the Government Administration and Elections Committee, imposes restrictions on storage and use of personal data on state mobile computing and storage devices.

sSB 702, reported by the Finance, Revenue and Bonding Committee, requires the DRS commissioner to notify affected taxpayers in writing and without unreasonable delay when she finds that tax returns or return information that she or a DRS contractor maintains in electronic form has been or may be accessed or disclosed to an unauthorized person.

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 50 Nay 0 (03/27/2008)